Workers in alternative employment arrangements

Workers in four selected alternative employment arrangements—independent contractors, temporary help agency workers, contract company workers, and on-call workers—differ from traditional employees, as well as from one another

Sharon R. Cohany

Most workers are employees of the same organization for which they carry out their assignments. Most also have an established schedule for reporting to work. There always have been exceptions, however. In recent years, a perception has emerged that the number of exceptions is growing, that employment is more frequently being arranged by intermediaries, and that work schedules are becoming less standardized. In order to obtain information on workers' employment arrangements, a special survey was conducted for the Bureau of Labor Statistics as a supplement to the February 1995 Current Population Survey (CPS).[1] This article discusses the survey findings on four groups of workers considered to be in "alternative" arrangements: independent contractors, temporary help agency workers, employees of contract companies, and on-call workers.

Approximately 12 million persons, or 10 percent of the work force, fell into at least one of the four categories.[2] (See exhibit 1.) The largest was independent contractors, with 8.3 million, followed by on-call workers (2 million), temporary help agency workers (1.2 million), and contract company employees (650,000). As this article will detail, workers in these arrangements differed sharply from one another. For example, temporary help agency workers tended to be young women who were dissatisfied with their work arrangement, while independent contractors were likely to be middle-aged and older men who were very satisfied with their work.

Another major focus of the 1995 survey was the measurement of contingent workers, defined as workers who have no implicit or explicit contract for ongoing employment.[3] Other articles in this issue discuss aspects of contingent workers in detail. It is important to note that the classification of workers in alternative arrangements was made separately from that of contingent workers. Workers in alternative arrangements were contingent only if they met the criteria for contingency. For instance, some contract company employees may have perceived their job as temporary and consequently were classified as contingent workers; on the other hand, many of the workers in contract companies had an expectation of ongoing employment and were not classified as contingent. Moreover, some contingent workers' jobs fell into one of the alternative arrangements, but in fact, most contingent workers were in regularly scheduled jobs that did not involve intermediaries.

In the next four sections, each alternative work arrangement will be discussed in some detail, including the 1995 demographics of the workers, the characteristics of the jobs they held, and the extent to which their jobs were contingent. Companion articles in this issue by Anne E. Polivka, Steven Hipple, and Jay Stewart discuss data from the CPS concerning earnings and benefits of workers in alternative arrangements, as well as employment and earnings characteristics of contingent workers; Donna Rothstein uses data from the National Longitudinal Survey to examine aspects of workers in nonstandard employment arrangements.

Independent contractors

By far the largest of the four alternative arrangements, with 8.3 million workers, was independ-

Sharon R. Cohany is an economist in the Office of Employment and Unemployment Statistics, Bureau of Labor Statistics.

ent contractors, independent consultants, and freelance workers, all subsequently referred to as independent contractors. Unlike workers in the other arrangements, independent contractors are not employees in the traditional sense, but rather work for themselves (or their own company), bearing the responsibility for obtaining clients, seeing that work assignments are executed, and otherwise running the business. Workers who frequently are independent contractors include computer consultants, freelance writers, real estate agents, and home remodelers.

Information on the self-employed has been collected in the CPS for many years. What was new in the 1995 survey was that individuals were asked whether they considered themselves an independent contractor, an independent consultant, or a freelancer, as opposed to another type of self-employed person, such as a shop owner or restaurateur. No restrictions were placed on the size or scope of their business: independent contractors may have one client or many, may have employees or work alone, and may or may not have businesses that are incorporated. Wage and salary workers, as well as the self-employed (as identified in the basic CPS questionnaire), had the opportunity to be classified as independent contractors; the survey questions were tailored somewhat to fit each group. Of all the self-employed, about one-half were reported to be independent contractors. Conversely, some 85 percent of independent contractors were classified as self-employed in the basic questionnaire, with the remainder categorized as wage and salary workers.[4]

Characteristics. Independent contractors differed dramatically from traditional workers and workers in the other alternative arrangements. (Characteristics of independent contractors, as well as those of workers in the other arrangements, are displayed in tables 1 through 11. Demographics are presented in tables 1 through 4, part-time status is shown in table 5, occupation and industry data are in tables 6 and 7, and data related to job satisfaction are in tables 8 through 11.) The typical independent contractor is a white man of middle age or older. Only one-third were women, and just 5 percent were black. Independent contractors were well educated, on average; about 34 percent had a college degree, 5 percentage points higher than workers in traditional arrangements.

More independent contractors than traditional workers worked part time (less than 35 hours a week), reflecting the older age profile of the former and the strong propensity of female independent contractors to work part time. For example, among men 65 years and older—a group that is overrepresented among independent contractors—nearly two-thirds worked part time. With respect to women, nearly half in the arrangement were part time, compared with about one-fourth of those in traditional arrangements. For both groups of women, most part-time schedules were for a noneconomic

Exhibit 1. Workers in alternative employment arrangements as a percent of total employment, February 1995

Type of alternative arrangement	Percent of total employed
Independent contractors Workers identified as wage and salary workers in the basic CPS who answered affirmatively to the question, "Last week, were you working as an independent contractor, an independent consultant, or a freelance worker? That is, someone who obtains customers on their [sic] own to provide a product or service." Also, workers identified as self-employed in the basic CPS who answered affirmatively to the question, "Are you self-employed as an independent contractor, independent consultant, freelance workers or something else (such as a shop or restaurant owner)?" in order to distinguish those who considered themselves to be independent contractors, consultants, or freelance workers from those who were business operators, such as shop owners or restaurateurs.	6.7
On-call workers Workers who answered affirmatively to the question, "Some people are in a pool of workers who are ONLY called to work as needed, although they can be scheduled to work for several days or weeks in a row, for example, substitute teachers and construction workers supplied by a union hiring hall. These people are sometimes referred to as ON-CALL workers. Were you an ON-CALL worker last week?"	1.6
Temporary help agency workers Workers who said their job was temporary and answered affirmatively to the question, "Are you paid by a temporary help agency?" Also, workers who said their job was not temporary and answered affirmatively to the question, "Even though you told me your job was not temporary, are you paid by a temporary help agency?"	1.0
Workers provided by contract firms Workers who answered affirmatively to the question, "Some companies provide employees or their services to others under contract. A few examples of services that can be contracted out include security, landscaping, [and] computer programming. Did you work for a company that contracts out you or your services last week?" These workers also had to respond negatively to the question, "Are you usually assigned to more than one customer?" and affirmatively to the question, "Do you usually work at the customer's worksite?"	.5

reason, such as family responsibilities. At the other end of the spectrum, a relatively large share of independent contractors worked long hours: thirty percent had an average workweek that exceeded 48 hours, about twice the proportion for traditional workers.

Seventy-one percent of the independent contractors were married, with most of their spouses working in traditional arrangements or not in the labor force. Twenty percent of the husbands and 32 percent of the wives had spouses who also worked as independent contractors. (It was not possible to estimate how many spouses were in business together.) As with women in traditional jobs, slightly more than half of the women in the independent contracting arrangement were combining work with raising children; those working for themselves were more likely to have preschoolers.

Quite unlike the occupational profile of traditional workers, that of independent contractors was skewed toward several high-skilled fields. Specific occupations that were heavily represented were writers and artists, insurance and real estate sales agents, construction trade employees, and miscellaneous managers and administrators. Few independent contractors were reported in technical, clerical, or laborer occupations. The most popular fields for men were managerial, skilled craft, and sales positions; for women, the most common areas were service (mainly cleaners, child care providers, and hairdressers), sales, and professional specialty occupations.

Several industries in which independent contractors were disproportionately represented were construction; finance, insurance, and real estate; and services. Relatively few independent contractors were reported in manufacturing or wholesale and retail trade. In the case of manufacturing, a very small share of total employment was self-employed at all. As for trade, a sizable number of workers in the industry were self-employed, but not as independent contractors.

Number of employees. To obtain a measure of the extent of their operations, independent contractors were asked whether they had any paid employees and, if so, how many they had. A majority worked alone, women more often than men, as shown in the following tabulation:

	Total	*Men*	*Women*
Total, thousands	8,309	5,595	2,714
Percent with—			
No employees	75.5	69.6	87.6
At least 1 employee	23.9	29.7	11.8
1 employee	6.2	7.8	2.9
2 employees	4.9	5.7	3.1
3 to 5 employees	5.9	7.3	3.1
6 to 9 employees	2.6	3.4	1.0
10 or more employees	3.1	3.9	1.3
Number of employees not available	1.1	1.5	.4
Presence of employees not available	.7	.7	.7

Table 1. Employed persons in alternative and traditional work arrangements, by selected characteristics, February 1995

[Percent distribution]

Characteristic	Workers in alternative arrangements				Workers in traditional arrangements
	Independent contractors	On-call workers	Temporary help agency workers	Workers provided by contract firms	
Age and sex					
Total, 16 years and older (thousands)	8,309	1,968	1,181	652	111,052
Percent	100.0	100.0	100.0	100.0	100.0
16 to 19 years	1.5	7.8	5.2	2.5	4.7
20 to 24 years	2.4	11.5	19.7	12.7	10.5
25 to 34 years	19.7	25.4	34.1	39.0	26.4
35 to 44 years	30.8	23.2	21.3	23.3	27.6
45 to 54 years	25.3	15.9	12.1	11.8	19.2
55 to 64 years	13.6	9.6	5.8	6.7	8.9
65 years and older	6.7	6.7	1.8	4.1	2.5
Men, 16 years and older	67.3	48.4	47.2	71.5	52.8
16 to 19 years	.9	3.9	3.0	1.4	2.4
20 to 24 years	1.6	6.7	11.4	6.4	5.6
25 to 34 years	12.6	13.1	16.8	29.8	14.3
35 to 44 years	21.0	10.8	7.7	19.0	14.5
45 to 54 years	16.7	6.7	4.4	5.7	10.0
55 to 64 years	9.6	3.7	2.8	5.2	4.7
65 years and older	4.9	3.6	1.1	4.1	1.4
Women, 16 years and older	32.7	51.6	52.8	28.5	47.2
16 to 19 years	.6	3.9	2.3	1.1	2.4
20 to 24 years	.8	4.8	8.3	6.1	4.9
25 to 34 years	7.1	12.3	17.4	9.2	12.1
35 to 44 years	9.8	12.4	13.5	4.3	13.1
45 to 54 years	8.5	9.1	7.7	6.3	9.2
55 to 64 years	4.0	5.8	2.9	1.5	4.2
65 years and older	1.8	3.2	.8	[1]	1.1
Race and Hispanic origin					
White	92.3	84.9	72.7	83.0	85.1
Black	5.0	10.4	21.8	11.7	10.9
Hispanic origin	5.2	9.6	11.3	8.4	8.6

[1] Less than 0.05 percent.

NOTE: Workers in traditional arrangements are those who do not fall into any of the alternative-arrangement categories. Entries under "Race and Hispanic origin" will not sum to 100 percent because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups. Details for other characteristics may not sum to totals because of rounding.

Some business owners incorporate to protect themselves from liability and to gain tax advantages. About 20 percent of independent contractors had incorporated their businesses (compared with 30 percent of all the self-employed).[5] Given the costs of incorporation, it would be reasonable to expect that such businesses were larger, on average, than other enterprises. In fact, more than one-half of independent contractors with businesses that were incorporated had employees (in addition to the owner), compared with just 18 percent of those whose businesses were unincorporated. Further, of independent contractors with at least one employee (again, other than the owner), 36 percent whose businesses were incorporated had six or more employees, compared with only 13 percent of those with unincorporated operations. Among industries in which independent contracting was fairly prevalent, employees were most often found in construction, retail trade, and finance, insurance, and real estate.

Preference and contingency. Several concerns related to the self-employed have been expressed in recent years. One is that, in an effort to cut costs, companies have removed some wage and salary workers from their payrolls and then brought them back as self-employed contractors, presumably with less job security and few or no benefits. Another concern has focused on workers who would prefer a traditional job, but have had no success in finding one and as a result must "put out a shingle" and work for themselves. While the 1995 survey did not collect information on either of these situations directly, the responses to questions related to job satisfaction cast doubt on their prevalence. When asked about the kind of work arrangement they preferred, a strikingly high proportion (83 percent) of independent contractors said that they preferred their situation to that of a traditional employee. Moreover, when asked why they worked as independent contractors, most gave a personal reason, such as flexibility or the fact that they were their own boss. Only 10 percent—the smallest proportion of any arrangement—gave an economic reason. Finally, very few independent contractors see themselves as contingent workers: the proportion of contractors who indicated that their employment could not continue indefinitely was just 4 percent, the same as for traditional workers.

Tenure. It would appear, then, that, as a group, independent contractors feel very secure in their work. In fact, the length of time they have been working for themselves bears this supposition out. The median tenure as an independent contractor was 6.9 years, by far the longest of the arrangements studied. By comparison, tenure for traditional workers—a younger group, on average, to be sure—was 4.9 years (with their current employer). Men had spent more time as independent contractors than women had, 8.1 years versus 5.4 years, not surprising given men's lengthier attachment to the work force in general. Still, nearly one-third of the women had worked as independent contractors for at least 10 years. White independent contractors reported a longer tenure than blacks did, although the tenure for blacks was nearly 6 years.

Independent contractors constituted nearly 7 percent of all workers. Of the major demographic groups, the highest inci-

Table 2. Employed persons in alternative and traditional work arrangements, by educational attainment and sex, February 1995

[Percent distribution]

Educational attainment and sex	Workers in alternative arrangements				Workers in traditional arrangements
	Independent contractors	On-call workers	Temporary help agency workers	Workers provided by contract firms	
Total, 25 to 64 years (thousands)	7,428	1,456	864	527	91,318
Percent	100.0	100.0	100.0	100.0	100.0
Less than a high school diploma	8.7	11.3	14.2	9.5	9.7
High school graduate, no college	29.1	35.6	33.4	29.8	32.5
Less than a bachelor's degree	27.9	31.5	32.1	30.2	29.0
College graduate	34.4	21.7	20.3	30.6	28.9
Men, 25 to 64 years (thousands)	4,981	675	374	389	48,330
Percent	100.0	100.0	100.0	100.0	100.0
Less than a high school diploma	9.7	17.8	17.3	7.5	11.0
High school graduate, no college	29.6	41.0	33.1	29.6	31.4
Less than a bachelor's degree	25.6	29.9	31.2	34.5	27.0
College graduate	35.2	11.4	18.4	28.4	30.7
Women, 25 to 64 years (thousands)	2,447	781	490	139	42,988
Percent	100.0	100.0	100.0	100.0	100.0
Less than a high school diploma	6.8	5.6	11.8	15.2	8.2
High school graduate, no college	28.0	30.9	33.7	30.4	33.7
Less than a bachelor's degree	32.5	32.9	32.9	17.4	31.2
College graduate	32.7	30.5	21.6	37.0	26.9

NOTE: Workers in traditional arrangements are those who do not fall into any of the alternative-arrangement categories. Details may not sum to totals because of rounding.

Table 3. Employed women in alternative and traditional work arrangements, by marital status and presence and age of children, February 1995

[Percent distribution]

Characteristic	Workers in alternative arrangements				Workers in traditional arrangements
	Independent contractors	On-call workers	Temporary help agency workers	Workers provided by contract firms	
Total					
Wives and women who maintain families (thousands)	2,121	685	392	99	35,405
Percent	100.0	100.0	100.0	100.0	100.0
With children under 18 years	54.3	57.4	61.0	48.5	56.3
With children under 6 years	26.1	24.5	28.6	24.2	22.6
With children 6 to 17 years	28.1	32.8	32.4	24.2	33.7
With no children under 18 years	45.7	42.5	39.0	51.5	43.7
Married, spouse present					
Wives (thousands)	1,854	587	277	79	28,681
Percent	100.0	100.0	100.0	100.0	100.0
With children under 18 years	53.2	56.7	53.6	48.1	53.8
With children under 6 years	27.2	25.9	25.9	29.1	22.8
With children 6 to 17 years	26.0	30.8	27.7	19.0	31.0
With no children under 18 years	46.8	43.3	46.4	51.9	46.2
Other marital status					
Women who maintain families (thousands)	267	98	115	20	6,724
Percent	100.0	100.0	100.0	100.0	100.0
With children under 18 years	61.8	62.2	78.9	[1]	67.1
With children under 6 years	18.4	16.3	35.1	[1]	22.0
With children 6 to 17 years	43.2	45.9	43.9	[1]	45.1
With no children under 18 years	38.2	37.8	21.1	[1]	32.9

[1] Percentage not shown where base is less than 75,000.

NOTE: Workers in traditional arrangements are those who do not fall into any of the alternative-arrangement categories. Details may not sum to totals because of rounding.

dence of independent contracting was found among men aged 65 and older, 20 percent of whom were working under such an arrangement. Many of these workers had been in business for quite some time; in fact, 53 percent had a tenure of at least 20 years. For others, independent contracting provided employment after they retired from their "career" jobs: about one-fourth had been working as independent contractors for fewer than 10 years. As previous studies of the self-employed have pointed out, working for oneself can favor older workers, as it often requires the accumulation of considerable skills and capital. It also may offer more flexibility than wage and salary work does, as well as the opportunity to work at one's own pace.[6]

In sum, independent contracting, the largest alternative arrangement, was made up disproportionately of older, college-educated men. On the basis of the high degree of satisfaction with their work, the length of time they have been in business, and the low incidence of contingency, independent contractors stand out among workers in the alternative arrangements studied as being in their employment of choice.

Temporary help agency workers

Perhaps the most well-known employment intermediary is the temporary help agency, which provides workers to client companies, typically on a short-term basis.[7] Such organizations trace their modern-day beginnings to the 1920s, when they provided clerical workers to firms in the Chicago area to meet the needs of an increasingly service-based economy. These pioneer firms boosted the demand for their services by equipping their workers with an electric calculator, a costly machine at the time, to take to their assignments.[8]

Since the end of World War II, a variety of social, economic, and demographic changes—including heightened international competition, greater fluctuations in demand, increased costs of fringe benefits, a decline in unionization, and shifts in the composition of the labor force—have resulted in explosive growth among providers of temporary help.[9] Today, temporary help companies such as Kelly Services, Manpower, and Olsten are among the most familiar names on the corporate landscape, and temporary workers have become a permanent fixture in many workplaces.

Temporary help firms still furnish clerical workers to their client companies, as well as industrial workers and a variety of professional, technical, and even executive staff. Temporary help agencies recruit, check references, test, and sometimes train workers. When client companies have a need for a temporary worker, they contact the temporary help firm with information on the skills they are looking for and the location and estimated length of the assignment. The firm then pro-

vides a worker with the requisite skills and bills the client the worker's pay rate plus a premium. The workers are employees of the temporary help firm, which issues their paychecks, withholds payroll taxes, and makes required employer contributions for Social Security and unemployment insurance.

While opinions differ as to the relative importance of supply and demand factors in explaining the growth of temporary help agencies, it is clear that such firms meet the needs of both employers and workers. For employers, temporary help firms occupy an important niche by providing qualified workers on short notice. These workers may fill in for permanent employees who are ill or on vacation or maternity leave. "Temps" also may augment the company's regular work force during a period of increased staffing needs (for instance, for a large mailing, a conference, or a seasonal surge in orders). In addition, they may bring specialized skills that the company needs only occasionally. In a downsizing environment, hiring temps is a way for managers to handle the work load while meeting personnel ceilings. For some companies, obtaining workers through a temporary help agency enables them to "audition" prospective employees. Because the client company pays only for the hours of work that are needed and avoids the cost of terminating workers, temps can be a cost-effective means of getting the work done.[10]

For workers, "temping" meets a need for short-term, flexible employment for mothers, older workers, and many others who do not want a long-term job. Because the temporary worker can turn down assignments, this arrangement can provide the flexibility needed to balance work with other commitments, such as family responsibilities, school, and even other employment.[11] Some workers prefer the variety of temporary assignments to the predictability of a regular job. Temping also gives workers opportunities to obtain experience and training, explore the local labor market, and test a variety of job settings before making a permanent commitment. Estimates from the temporary help industry indicate that a sizable number of temporary assignments lead to permanent employment.[12] (Anne E. Polivka, pages 55–74, this issue, presents findings from the February 1995 survey on workers' transitions from alternative to traditional jobs.) To be sure, not all workers are motivated strictly by personal preference: workers may temp to fill in the gap between "regular" jobs.

Table 4. Incidence of alternative and traditional work arrangements, by selected characteristics, February 1995

[Percent distribution]

Characteristic	Total employed (thousands)	Workers in alternative arrangements				Workers in traditional arrangements
		Independent contractors	On-call workers	Temporary help agency workers	Workers provided by contract firms	
Age and sex						
Total, 16 years and older	123,208	6.7	1.6	1.0	0.5	90.1
16 to 19 years	5,635	2.2	2.7	1.1	.3	93.5
20 to 24 years	12,421	1.6	1.8	1.9	.7	93.8
25 to 34 years	32,138	5.1	1.6	1.3	.8	91.3
35 to 44 years	34,113	7.5	1.3	.7	.4	89.9
45 to 54 years	23,980	8.8	1.3	.6	.3	89.0
55 to 64 years	11,370	9.9	1.7	.6	.4	87.4
65 years and older	3,551	15.7	3.7	.6	.8	79.3
Men, 16 years and older	66,290	8.4	1.4	.8	.7	88.5
16 to 19 years	2,820	2.5	2.7	1.2	.3	92.9
20 to 24 years	6,634	2.0	2.0	2.0	.6	93.0
25 to 34 years	17,566	6.0	1.5	1.1	1.1	90.4
35 to 44 years	18,317	9.5	1.2	.5	.7	88.0
45 to 54 years	12,694	10.9	1.0	.4	.3	87.3
55 to 64 years	6,187	12.8	1.2	.5	.5	84.8
65 years and older	2,072	19.7	3.4	.6	1.3	75.2
Women, 16 years and older	56,918	4.8	1.8	1.1	.3	92.0
16 to 19 years	2,816	1.9	2.7	1.0	.2	94.0
20 to 24 years	5,786	1.1	1.6	1.7	.7	94.7
25 to 34 years	14,572	4.1	1.7	1.4	.4	92.5
35 to 44 years	15,796	5.1	1.5	1.0	.2	92.2
45 to 54 years	11,286	6.3	1.6	.8	.4	90.9
55 to 64 years	5,183	6.5	2.2	.7	.2	90.5
65 years and older	1,479	10.1	4.3	.6	([1])	85.1
Race and Hispanic origin						
White	105,239	7.3	1.6	.8	.5	89.8
Black	13,108	3.2	1.6	2.0	.6	92.6
Hispanic origin	10,441	4.1	1.8	1.3	.5	91.6
Educational attainment (age 25 to 64)						
Less than a high school diploma	9,851	6.6	1.7	1.2	.5	89.7
High school graduate, no college	32,760	6.6	1.6	.9	.5	90.5
Less than a bachelor's degree	29,407	7.0	1.6	.9	.5	89.9
College graduate	29,582	8.6	1.1	.6	.5	89.2

[1]Less than 0.05 percent.

NOTE: Workers in traditional arrangements are those who do not fall into any of the alternative-arrangement categories. Details may not sum to totals because a small number of workers are both on call and provided by contract firms, and the total employed includes day laborers, an alternative arrangement not shown separately. Entries under "Race and Hispanic" origin will not sum to 100 percent because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups.

Table 5. Employed persons in alternative and traditional work arrangements, by full- and part-time status, reason for part-time work, sex, and age, February 1995

[Percent distribution]

Characteristic	Workers in alternative arrangements				Workers in traditional arrangements
	Independent contractors	On-call workers	Temporary help agency workers	Workers provided by contract firms	
Total					
Employed (thousands)	8,309	1,968	1,181	652	111,052
Percent	100.0	100.0	100.0	100.0	100.0
Full-time workers	74.4	44.1	79.4	84.0	81.7
Part-time workers	25.6	55.9	20.5	16.0	18.3
At work part time for economic reasons	6.4	19.0	10.9	5.1	3.3
At work part time for noneconomic reasons	18.9	36.2	10.9	10.6	14.6
Men, 20 years and older					
Employed (thousands)	5,524	876	522	457	56,058
Percent	100.0	100.0	100.0	100.0	100.0
Full-time workers	85.6	66.8	84.1	88.4	92.0
Part-time workers	14.4	33.2	15.9	11.6	8.0
At work part time for economic reasons	6.8	19.6	8.6	5.5	2.8
At work part time for noneconomic reasons	9.0	18.5	8.2	5.5	5.8
Women, 20 years and older					
Employed (thousands)	2,660	938	596	179	49,726
Percent	100.0	100.0	100.0	100.0	100.0
Full-time workers	53.5	28.8	76.5	76.5	76.2
Part-time workers	46.5	71.2	23.5	23.5	23.8
At work part time for economic reasons	5.6	18.3	13.7	2.8	3.5
At work part time for noneconomic reasons	37.1	48.1	11.7	21.2	18.9
Both sexes, 16 to 19 years					
Employed (thousands)	125	153	62	16	5,267
Percent	100.0	100.0	100.0	100.0	100.0
Full-time workers	20.8	8.5	[1]	[1]	23.5
Part-time workers	79.2	91.5	[1]	[1]	76.5
At work part time for economic reasons	4.8	18.3	[1]	[1]	6.5
At work part time for noneconomic reasons	71.2	65.4	[1]	[1]	67.3

[1] Percentage not shown where base is less than 75,000.

NOTE: Workers in traditional arrangements are those who do not fall into any of the alternative-arrangement categories. Details may not sum to totals because of rounding and because the total employed includes day laborers, an alternative arrangement not shown separately. Part time is defined as working 1 to 34 hours per week; full time is 35 hours or more. The classification of full- and part-time workers is based on the number of hours usually worked. The sum of the at-work part-time categories does not equal the preceding figure for part-time workers, as the latter includes those who had a job, but were not at work in the reference week. Also, persons at work part time for an economic reason can work either full or part time on a usual basis; persons at work part time for a noneconomic reason are limited to those who usually work part time.

Indeed, when permanent jobs are scarce, temping may be one of the few employment options available.[13]

In the 1995 survey, 1.2 million workers were identified as being paid by a temporary help agency. (To the extent that permanent staff of the agency indicated that they were paid by their agencies, the estimate of the number of temps includes the staff—a relatively small number—as well as the temporary workers.) More than half (53 percent) of those in the arrangement were women, compared with 47 percent of traditional workers. Many women do, in fact, combine family responsibilities with their temporary work: more than 60 percent had at least one child under the age of 18, and nearly half of the mothers had at least one preschooler. Both proportions were somewhat higher than those for women in traditional work arrangements.

One of the more striking features of temporary help agency workers is their youth. One-fourth were under the age of 25, giving temps the youngest age profile of any of the arrangements studied. By comparison, just 15 percent of traditional workers were in this age group. The male temps were even younger than the female temps, with nearly one-third under 25. A particularly large share of temps was between the ages of 20 and 24. Their motivation did not seem to be related to school attendance, as most young people who temped were not enrolled in high school or college.

In addition to being disproportionately young and female, temporary help agency workers were more likely to be members of a minority group. Blacks made up 22 percent of the temporary help work force, double their share of traditional employment, while Hispanics made up 11 percent of temps, compared with their 9-percent share of traditional employees. Furthermore, black and Hispanic men were more likely to work as temps than were black and Hispanic women, the opposite of the situation among whites. (Analysis of data for Hispanics is severely restricted due to limitations of the CPS sample.)

Temporary help agency workers were somewhat less educated, on average, than other workers. Fourteen percent had not completed high school, compared with 10 percent of tra-

ditional workers. Just 20 percent were college graduates, 9 percentage points lower than the share of other workers.

Surprisingly, perhaps, given the short-term nature of many of their assignments, temps were not, as a rule, part-timers. Nearly four-fifths of temps worked full time (at least 35 hours per week), a proportion only slightly lower than that of traditional workers. There was, however, a notable difference in the reasons given for working part time: one-half of the part-time temps had an economic reason for their short hours and would have preferred full-time work, compared with only 18 percent of traditional workers.

Occupations and industries. Congruent with the popular image of the industry, temporary help agency workers were heavily concentrated in clerical and machine operator positions. In fact, these two categories accounted for nearly two-thirds of all temporary help agency workers. Among industries, there was a similarly lopsided distribution, with manufacturing and services making up 72 percent of the industries to which temps were assigned.

There was a sharp division of labor by sex: half of the men were operators, fabricators, and laborers, while nearly half of the women were in clerical positions. A similar split was observed in the industry distribution, with 42 percent of the men having been assigned to a manufacturing firm and 46 percent of the women to a company in the services industry. As mentioned earlier, a relatively large number of black and Hispanic men were temporary help agency workers, a fact that likely reflects the types of jobs intermediated by temporary help services, especially operator, fabricator, and laborer positions, which are disproportionately held by minority men.[14]

Preference. Those who argue that the growth in temporary help jobs is driven more by demand factors than supply factors may find evidence for their position in the responses to questions on workers' preferences for alternative versus traditional employment. In response to one question, only 27 percent of temporary help agency workers indicated that they preferred working that way, the lowest percentage of any of the four alternative work arrangements. Nearly two-thirds (63 percent) said that they would prefer a traditional job, of whom 40 percent were actively looking for one. (The

Table 6. Employed persons in alternative and traditional work arrangements, by occupation and sex, February 1995

[Percent distribution]

Occupation and sex	Workers in alternative arrangements				Workers in traditional arrangements
	Independent contractors	On-call workers	Temporary help agency workers	Workers provided by contract firms	
Total, 16 years and older (thousands)	8,309	1,968	1,181	652	111,052
Percent	100.0	100.0	100.0	100.0	100.0
Executive, administrative, and managerial	18.6	3.0	6.5	5.7	13.6
Professional specialty	16.3	22.1	8.3	25.6	14.7
Technicians and related support	1.1	1.6	3.7	6.9	3.4
Sales occupations	18.8	6.2	2.6	3.2	11.7
Administrative support, including clerical	3.8	9.9	30.1	4.8	16.0
Service occupations	10.6	20.0	9.0	27.8	13.6
Precision production, craft, and repair	19.2	13.3	5.6	14.6	10.1
Operators, fabricators, and laborers	6.5	20.1	33.2	10.4	14.6
Farming, forestry, and fishing	5.1	3.8	1.0	.9	2.4
Men, 16 years and older (thousands)	5,595	952	557	466	58,678
Percent	100.0	100.0	100.0	100.0	100.0
Executive, administrative, and managerial	22.1	2.5	7.3	5.8	14.3
Professional specialty	14.4	10.5	7.3	23.4	12.8
Technicians and related support	1.1	.5	4.5	6.9	3.1
Sales occupations	17.5	2.5	1.4	.6	11.4
Administrative support, including clerical	.7	4.6	11.1	1.9	6.2
Service occupations	2.3	12.2	8.8	26.6	10.5
Precision production, craft, and repair	27.1	26.3	7.9	20.4	17.2
Operators, fabricators, and laborers	8.0	34.1	49.5	13.3	20.8
Farming, forestry, and fishing	6.7	6.6	2.2	1.3	3.7
Women, 16 years and older (thousands)	2,714	1,015	624	186	52,373
Percent	100.0	100.0	100.0	100.0	100.0
Executive, administrative, and managerial	11.3	3.4	5.8	5.4	12.9
Professional specialty	20.1	33.0	9.1	31.4	16.8
Technicians and related support	1.0	2.7	3.0	7.6	3.7
Sales occupations	21.3	9.6	3.7	9.7	12.0
Administrative support, including clerical	10.3	14.8	47.0	11.9	26.9
Service occupations	27.7	27.2	9.1	30.8	17.0
Precision production, craft, and repair	2.9	1.2	3.5	[1]	2.1
Operators, fabricators, and laborers	3.4	6.9	18.6	3.2	7.6
Farming, forestry, and fishing	2.0	1.2	[1]	[1]	1.0

[1] Less than 0.05 percent.

NOTE: Workers in traditional arrangements are those who do not fall into any of the alternative-arrangement categories. Details may not sum to totals because of rounding.

Table 7. Employed persons in alternative and traditional work arrangements, by industry and sex, February 1995

[Percent distribution]

Industry and sex	Workers in alternative arrangements				Workers in traditional arrangements
	Independent contractors	On-call workers	Temporary help agency workers	Workers provided by contract firms	
Total, 16 years and older (thousands)	8,309	1,968	1,181	652	111,052
Percent	100.0	100.0	100.0	100.0	100.0
Agriculture	5.0	3.7	.4	.3	2.4
Mining	.2	.5	.2	2.4	.6
Construction	21.2	13.1	2.8	8.4	4.4
Manufacturing	5.0	6.3	33.5	17.6	17.9
Transportation and public utilities	5.0	9.0	7.7	13.4	7.2
Wholesale and retail trade	13.2	14.5	8.1	6.0	21.4
Finance, insurance, and real estate	9.6	1.9	7.5	6.9	6.4
Services	40.6	47.4	38.7	32.3	34.4
Public administration	.3	3.5	1.2	12.6	5.4
Men, 16 years and older (thousands)	5,595	952	557	466	58,678
Percent	100.0	100.0	100.0	100.0	100.0
Agriculture	6.3	6.9	.8	.5	3.3
Mining	.2	1.1	.4	2.7	.9
Construction	29.9	26.9	4.4	11.1	7.3
Manufacturing	5.3	9.7	42.2	21.9	23.2
Transportation and public utilities	5.9	14.0	9.4	15.4	9.5
Wholesale and retail trade	11.9	11.9	7.3	5.0	21.7
Finance, insurance, and real estate	9.6	1.3	5.0	7.7	4.7
Services	30.8	24.9	29.8	23.8	23.6
Public administration	([1])	3.5	1.0	12.0	5.7
Women, 16 years and older (thousands)	2,714	1,015	624	186	52,373
Percent	100.0	100.0	100.0	100.0	100.0
Agriculture	2.2	.7	([1])	([1])	1.3
Mining	.2	([1])	([1])	1.7	.2
Construction	3.4	.4	1.5	2.2	1.1
Manufacturing	4.3	3.2	25.8	6.7	11.9
Transportation and public utilities	3.1	4.2	6.0	8.4	4.7
Wholesale and retail trade	15.8	16.9	8.8	8.4	21.0
Finance, insurance, and real estate	9.4	2.6	9.8	5.0	8.4
Services	60.9	68.5	46.4	53.6	46.5
Public administration	.7	3.6	1.7	14.0	5.0

[1]Less than 0.05 percent.

NOTE: Workers in traditional arrangements are those who do not fall into any of the alternative-arrangement categories. Details may not sum to totals because of rounding. For temporary help agency workers and workers provided by contract firms, the industry classification is that of the place to which they were assigned.

Tenure and contingency. Most temporary help agency employees were relatively new to the arrangement, and few had been in it more than 3 years. Just 24 percent had spent more than a year as a temp. Most assignments were fairly short term; 42 percent had been at their current assignment less than 3 months, 72 percent less than 9 months. While many temporary assignments are measured in days or weeks, some are much longer. In fact, 16 percent of temporary help agency workers had been working at their current assignment for more than a year.

Two-thirds of temporary help agency employees were contingent under the broadest estimate of contingency presented in the lead article, this issue, and could not work in their current assignment for as long as they wished. This was the highest proportion of any of the work arrangements studied. It may be surprising that the figure is not higher. On the other hand, only 39 percent of temporary help agency workers were contingent under the narrowest estimate of contingency, which measures whether the relationship with the temporary help firm (rather than the assignment) could be ongoing.

Special characteristics. To increase their chances of obtaining work, some workers register with more than one temporary help agency at a time. In February 1995, 22 percent had multiple registrations. Even though some assignments are just for a day or two, nearly all temps were assigned to only one work site during the reference week.

remaining 10 percent did not state a clear preference or did not provide any answer to the question.) Dissatisfaction was higher among men, with 71 percent preferring traditional employment, compared with 57 percent of the women. When asked why they worked through a temporary agency, a majority of both men and women provided an economic reason, such as "It was the only type of work I could find" or "I hope it leads to permanent employment," in contrast to a personal reason, such as "flexibility" or "family obligations." Among women, however, a sizable minority gave a personal reason.

Other data sources. The temporary help industry is unique among the four employment arrangements under study in that the Bureau of Labor Statistics has produced limited, but regular, information on the industry for some time. The Bureau's other major employment survey, the Current Employment Statistics (CES) survey, obtains, from employers, information on employment, hours, and earnings of workers on payrolls in nonfarm industries, including the help supply services industry (SIC 7363). Data from this survey clearly have established the rapid expansion of the industry, which has grown

from 400,000 employees in 1982 to more than 2 million in 1995.[15]

At first glance, there appears to be a large discrepancy between the number of temporary help agency workers as measured in the CPS supplement (1.2 million), compared with the CES survey (2 million). On closer inspection, however, much of this difference can be explained by important differences in the concepts and methodologies of the two surveys. The CES survey provides an estimate of the number of people on company payrolls in the reference period (the pay period that includes the 12th of the month). Employees who were paid by two temporary agencies during that period (a minority of temps, to be sure) would be counted on both payrolls. In contrast, in the CPS, each worker is counted just once, regardless of the number of jobs he or she holds. By the same token, traditional workers who moonlighted as temps would be counted in the temporary help industry (as well as the industry of their primary job) in the CES survey, but not in the CPS, where they would be classified according to their main job only. Also, because SIC 7363 includes firms "engaged in supplying temporary or continuing help on a contract or fee basis,"[16] the CES estimate for the industry includes some workers who were reported to be contract company employees in the CPS and others who worked for employee-leasing firms. When adjusted for these factors, the CPS estimate comes very close to the CES estimate. A reconciliation of the two estimates is provided in the lead article, this issue.

In sum, temporary help agency workers were disproportionately young, female, and members of minority groups, and somewhat less educated than other workers. Although they were found in a variety of occupations, most worked in clerical and industrial labor positions. They were relatively dissatisfied with their work situation: two-thirds said that they would prefer a traditional job. While individual assignments tended to be short term, most workers felt that they could stay with their temporary help firm as long as they wished.

Workers employed by a contract company

The other form of intermediated employment examined in the 1995 survey was work arranged through a contract company. Generally speaking, contract companies supply workers to client companies to provide a variety of services that the client companies prefer to be carried out by contract staff rather than in-house employees. Examples of services that frequently are contracted out include building security and cleaning, construction trades, and computer programming.

Many workers are employed by firms that provide a service to other companies. For this study, it was important to focus on just those workers whose employment appeared to be very closely tied to the firm for which they were performing the work. Therefore, to be classified as contract company employees, individuals had to meet two additional criteria: that they usually worked for only one customer and that the work was done on the customer's premises. According to the 1995 survey, about 650,000 workers met these requirements.

For client companies, contract workers have many of the same advantages as temporary help agency workers. Contract workers can reduce the size of the client companies' permanent staff, mitigate the cost of recruiting employees, moderate the effect of fluctuations in sales, and provide access to specialized skills. Although they work on the client company's premises, the workers are employees of the contract company, which pays their wages, supplies whatever benefits they receive, and generally oversees their work. Day-to-day supervision of contract workers typically is handled by the client company. When an assignment ends, workers may be moved to another project, or their employment may

Table 8. Employed persons in alternative work arrangements, by preference for arrangement and sex, February 1995

[Percent distribution]

Characteristic	Independent contractors	On-call workers	Temporary help agency workers
Total, 16 years and older (thousands)	8,309	1,968	1,181
Percent	100.0	100.0	100.0
Prefer traditional arrangement	9.8	56.7	63.3
Prefer alternative arrangement	82.5	36.6	26.6
It depends	5.1	4.2	8.1
Not available	2.6	2.5	1.9
Men, 16 years and older (thousands)	5,595	952	557
Percent	100.0	100.0	100.0
Prefer traditional arrangement	9.1	62.3	70.5
Prefer alternative arrangement	83.8	31.2	20.7
It depends	5.0	3.7	6.5
Not available	2.1	2.8	2.3
Women, 16 years and older (thousands)	2,714	1,015	624
Percent	100.0	100.0	100.0
Prefer traditional arrangement	11.2	51.3	57.1
Prefer alternative arrangement	79.8	41.8	31.7
It depends	5.2	4.7	9.6
Not available	3.8	2.3	1.6

NOTE: Details may not sum to totals because of rounding. Information on preferrred arrangement is not available for workers employed by contract companies.

Table 9. Employed persons in alternative work arrangements, by reason for arrangement and sex, February 1995

[Percent distribution]

Characteristic	Independent contractors	On-call workers	Temporary help agency workers
Total, 16 years and older (thousands) ..	8,309	1,968	1,181
Percent	100.0	100.0	100.0
Economic reasons	10.0	47.4	64.7
Only type of work could find	4.0	32.4	39.4
Hope job leads to permanent employment	.6	8.5	17.9
Other economic reason	5.4	6.6	7.5
Personal reasons	87.0	49.7	33.3
Flexibility of schedule	19.2	23.5	13.5
Family or personal obligations	3.4	3.4	2.2
In school/training.	.5	5.6	2.5
Other personal reason	63.9	17.2	15.1
Reason not available	3.1	2.9	1.9
Men, 16 years and older (thousands)	5,595	952	557
Percent	100.0	100.0	100.0
Economic reasons	10.3	56.8	75.4
Only type of work could find	4.2	38.6	47.4
Hope job leads to permanent employment	.6	9.2	18.3
Other economic reason	5.5	9.0	9.7
Personal reasons	86.9	40.0	23.2
Flexibility of schedule	14.6	15.1	6.5
Family or personal obligations	1.2	1.2	.4
In school/training	.3	5.0	3.1
Other personal reason	70.9	18.7	13.2
Reason not available	2.8	3.3	1.3
Women, 16 years and older (thousands)	2,714	1,015	624
Percent.	100.0	100.0	100.0
Economic reasons	9.2	38.6	55.2
Only type of work could find	3.6	26.6	32.3
Hope job leads to permanent employment	.4	7.8	17.5
Other economic reason	5.2	4.1	5.5
Personal reasons	87.1	58.9	42.4
Flexibility of schedule	28.7	31.3	19.7
Family or personal obligations	8.0	5.4	3.9
In school/training	1.0	6.0	1.8
Other personal reason	49.4	16.2	16.9
Reason not available	3.7	2.6	2.6

NOTE: Details may not sum to totals because of rounding. Information on reason for alternative arrangement is not available for workers employed by contract companies.

be terminated. Assignments tend to be longer with contract companies than with temporary help agencies, although, as noted earlier, temporary help agencies sometimes are intermediaries for long-term employment as well. (In the February 1995 survey, an individual's categorization was self-determined. Those who responded that they worked for a temporary help agency would have been classified in that arrangement and not asked whether they were employed by a contract company.)

The 1995 survey represented the first time information on contract company employment was gathered directly from a household survey. Previous estimates of contract company employment were based on information derived from surveys of employers, including the CES survey, and were focused on selected industries, such as business services (SIC 73), that were assumed to involve a significant amount of contracting.[17] In one study, Janice Murphey, a BLS researcher, found that employers in four manufacturing industries reported significantly higher rates of contracting out from 1980 to 1986.[18] In another study, John Tschetter, also of the Bureau, examined reasons for the dramatic growth of business services over a similar period and found no significant shifts toward contracting out functions that previously had been done in-house.[19] And in a recent article in the *Journal of Labor Economics*, Katharine G. Abraham and Susan K. Taylor identified three factors that influence a firm's decision to contract out for business support services: savings in compensation costs, volatility of demand, and the specialized skills offered by the contractor.[20]

Characteristics. Compared with traditional workers, employees with contract firms were disproportionately male and younger than 35. Most worked full time. They were somewhat more likely to have attended college than traditional workers were. The single largest occupation among contract company workers was security guards, which accounted for 15 percent of the total. Construction trades and computer occupations—namely, systems analysts and programmers—accounted for 12 percent each. A relatively large share of contract company employees were assigned to the public sector.

Tenure and contingency. A substantial share—about 40 percent—of contract company employees had been working for their current client for more than a year. At the same time, relatively few had lengthy spells in their employment relationship, a finding that is consistent with a comparatively youthful labor force.

Contract company employees had a relatively low rate of contingency. Under the broadest estimate of contingency, just 20 percent believed that their current assignment could not continue for as long as they wished. Under the narrowest estimate, only 8 percent both believed that they could not work for their employer indefinitely and had less than 1 year of tenure. As would be anticipated, those with longer tenure were more likely to consider their jobs permanent. (Questions on preference and reasons for working in alternative arrangements were not asked of contract company workers, due to the difficulties of phrasing meaningful questions for that group.)

Comparison with temporary help agency workers. As discussed earlier, the conceptual distinction between the two types of intermediary arrangements is somewhat blurred. Interestingly, though, individuals who worked for a contract company differed markedly from temporary help agency workers in a number of respects. Compared with temps, contract company workers were more likely to be male, white, at least 25 years old, and college graduates. They also were more heavily represented in professional and service occupations and considerably underrepresented in clerical and machine operator jobs, which dominate the temporary help work force.

Further, contract company workers had been at their current assignment much longer than temporary help agency workers—1.1 years versus 0.3 year—and were more than twice as likely to report that their assignment was permanent. Judging from the magnitude of the differences between the two groups, it would appear that the distinction between contract companies and temporary help agencies is meaningful to workers in those arrangements.

On-call workers

An integral aspect of the job for most workers is reporting to work according to a fairly regular schedule. There are exceptions, however: some workers report to work only when they are asked to do so. These individuals are referred to in this study as on-call workers. Once called to work, they may stay in the assignment for just a day or for several days or weeks in a row. On-call workers can supplement the company's regular work force when needed or fill in for an

Table 10. Employed persons in alternative and traditional work arrangements, by tenure in the arrangement and sex, February 1995

[Percent distribution]

Tenure and sex	Workers in alternative arrangements				Workers in traditional arrangements
	Independent contractors	On-call workers	Temporary help agency workers	Workers provided by contract firms	
Total, 16 years and older (thousands)	8,309	1,968	1,181	652	111,052
Percent	100.0	100.0	100.0	100.0	100.0
Total reporting specific tenure	98.3	96.8	96.8	97.9	86.9
1 year or less	17.1	45.4	72.7	50.5	22.5
Less than 6 months	6.2	25.3	45.1	25.6	8.9
6 to 12 months	10.9	20.1	27.6	24.7	13.6
More than 1 year	81.2	51.3	24.0	47.4	64.3
Less than 4 years	16.5	21.8	16.0	21.0	16.5
4 to 9 years	25.1	19.3	6.4	16.3	23.8
10 to 19 years	23.4	6.5	.9	8.4	15.8
20 years or more	16.2	3.7	.8	1.7	8.3
Specific tenure not available	1.7	3.2	3.2	2.1	13.1
Median tenure, in years	6.9	2.1	.5	1.5	4.9
Men, 16 years and older (thousands)	5,595	952	557	466	58,678
Percent	100.0	100.0	100.0	100.0	100.0
Total reporting specific tenure	98.1	97.1	96.6	98.1	85.9
1 year or less	14.7	41.7	71.8	47.4	21.6
Less than 6 months	5.1	25.2	47.4	25.3	8.4
6 to 12 months	9.6	16.6	24.4	22.1	13.1
More than 1 year	83.4	55.4	24.8	50.6	64.4
Less than 4 years	15.5	23.1	15.6	23.6	15.8
4 to 9 years	24.2	18.1	8.2	15.7	22.7
10 to 19 years	24.4	7.5	.2	9.4	15.9
20 years or more.	19.2	6.7	.9	1.9	9.9
Specific tenure not available	1.9	2.9	3.4	1.9	14.1
Median tenure, in years	8.1	2.4	.5	1.6	5.3
Women, 16 years and older (thousands)	2,714	1,015	624	186	52,373
Percent	100.0	100.0	100.0	100.0	100.0
Total reporting specific tenure	98.5	96.5	96.9	97.3	88.0
1 year or less	21.9	48.9	73.5	57.5	23.6
Less than 6 months	8.4	25.3	43.2	26.3	9.4
6 to 12 months	13.4	23.6	30.2	31.2	14.2
More than 1 year	76.6	47.6	23.5	39.8	64.3
Less than 4 years	18.7	20.6	16.4	15.1	17.2
4 to 9 years	26.9	20.5	4.7	17.7	24.9
10 to 19 years	21.3	5.6	1.8	5.9	15.6
20 years or more	9.8	.9	.6	1.1	6.5
Specific tenure not available	1.5	3.5	3.1	2.7	12.0
Median tenure, in years	5.4	1.8	.6	1.3	4.5

NOTE: Workers in traditional arrangements are those who do not fall into any of the alternative-arrangement categories. Details may not sum to totals because of rounding. For workers in traditional arrangements, estimates reflect tenure with the current employer. Median tenure was calculated only for those who reported a specific tenure.

Table 11. Contingent and noncontingent workers, by work arrangement and sex, February 1995

Work arrangement and sex	Total (thousands)	Percent distribution			
		Contingent workers			Non-contingent workers
		Estimate 1	Estimate 2	Estimate 3	
Total					
With alternative arrangement:					
Independent contractors	8,309	(1)	3.8	3.8	96.2
On-call workers	1,968	17.6	18.0	35.2	64.8
Temporary help agency workers	1,181	39.4	48.0	66.5	33.5
Workers provided by contract firms	652	7.7	11.7	19.8	80.2
With traditional arrangement	111,052	1.6	1.8	3.6	96.4
Men					
With alternative arrangement:					
Independent contractors	5,595	(1)	3.1	3.1	96.9
On-call workers	952	20.7	21.4	40.8	59.2
Temporary help agency workers	557	37.6	45.9	65.6	34.4
Workers provided by contract firms	466	7.1	11.8	20.4	79.6
With traditional arrangement	58,678	1.4	1.6	3.3	96.7
Women					
With alternative arrangement:					
Independent contractors	2,714	(1)	5.3	5.3	94.7
On-call workers	1,015	14.8	14.8	30.0	70.0
Temporary help agency workers	624	41.0	49.8	67.3	32.7
Workers provided by contract firms	186	9.1	11.3	18.3	81.7
With traditional arrangement	52,373	1.8	2.1	4.1	95.9

[1] Not applicable.

NOTE: Noncontingent workers are those who do not fall into any estimate of contingent workers. Workers in traditional arrangements are those who do not fall into any of the alternative-arrangement categories. Independent contractors, as well as the self-employed, are excluded from estimate 1.

absent employee. Some examples of workers who can be on call are substitute teachers, nurses, and construction workers.

There were about 2.0 million people employed as on-call workers in February 1995, making up 1.6 percent of all workers. (People with regularly scheduled work that might include periods of being on call to perform work at unusual hours, such as medical residents or computer technicians, were not included in this category.)

Characteristics. On-call workers constituted the second largest group of the four examined in this article, yet, up until the February 1995 survey, little was known about these workers. According to that survey, slightly more women than men were on-call workers, in contrast to traditional workers. More than half of the women had at least one child under the age of 18, and nearly half of the mothers had a child under the age of 6, proportions similar to those of traditional workers. On-call workers were more likely to be under the age of 25 and over the age of 64. They were somewhat less educated compared with other workers: 22 percent had a college degree, 7 percentage points less than the share of traditional workers. There was an unusually large gender gap with respect to education that was reflected in the occupational profiles of men and women in this arrangement, a point to be discussed shortly. Among men, only 11 percent had a college degree, compared with 31 percent of the women.

Another distinguishing characteristic of on-call workers is the large proportion who worked part time. More than half (56 percent) of those on call usually worked less than 35 hours per week, compared with just 18 percent of traditional workers. Women who worked on call had an extremely high incidence of part-time work (71 percent among adult women), much higher than either their male counterparts (33 percent) or women working in traditional arrangements (24 percent). Part-timers constituted the majority of on-call workers in every major occupational group except precision production, craft, and repair. While part-time work among traditional workers is typically voluntary, in the case of on-call workers an unusually large share was part time for an economic reason: about one-half of the adult men and one-quarter of the adult women who worked part time would have preferred full-time work. The large number of on-call employees who worked part time resulted in the shortest average workweek of any alternative arrangement—25.9 hours.

While found in a variety of occupations, on-call workers were concentrated in several categories, with the men tending toward blue-collar work and the women toward selected white-collar and service jobs. For men in this arrangement, two categories accounted for 60 percent of employment: operators, fabricators, and laborers (especially truckdrivers, freight and stock handlers, and laborers); and precision production, craft, and repair occupations (including carpenters, electricians, and plumbers). In addition, a sizable number of male on-call workers were substitute teachers and farm workers. Two other categories accounted for 60 percent of the women: service occupations and professional specialty occupations. Service occupations with a large number of fe-

male on-call workers were food preparation (waitresses and cooks), health services (nursing aides), and personal services (child care and teachers' assistants). Professional specialty occupations included teachers and registered nurses. Also, a substantial number of female on-call workers were office clerks, sales clerks, and cashiers. The types of jobs they held, foreshadowed by their divergent educational profiles, indicate that on-call work has quite different meanings for men and women.

For men and women combined, elementary and secondary school teachers accounted for 14 percent of all on-call workers; construction trades, transportation and material-moving occupations, and handlers and laborers each made up about 10 percent. In most cases, on-call workers constituted a very small share of the workers in an occupation. One notable exception was elementary school teachers, 10 percent of whom worked on call. A large number of on-call workers were found in the public sector, a major employer of teachers.

Tenure. While the length of time on-call workers spent in a particular assignment was very short, their tenure in the arrangement was relatively long—a median of 2.1 years. On-call employees who worked full time had been in the arrangement for 2.7 years, almost a year longer than part-time workers. Those who worked part time voluntarily had a longer tenure than those who worked part time for economic reasons (2.1 years versus 0.8 year), presumably because those who preferred to work more hours would be apt to change jobs. Among the major occupational groups, workers in precision production, craft, and repair had the longest tenure, 4.0 years.

Preference and contingency. A majority of on-call workers would prefer a traditional job, although women were somewhat more satisfied with the on-call arrangement than men were. Nearly 60 percent of the men gave an economic reason for working on call, while a similar share of the women gave a personal reason. Under the broadest estimate of contingency, about 35 percent of on-call workers felt that their jobs could not continue as long as they wished, compared with just 4 percent of traditional workers. Men had a higher incidence of contingency than women—41 percent, compared with 30 percent. Interestingly, contingency was not closely related to tenure: even those with a number of years in the arrangement did not feel secure. (Nearly 1 in 5 contingent on-call employees had worked on call for at least 6 years.) Why on-call workers felt such a high degree of insecurity is not obvious. It may be that some of the jobs which tend to be on call, especially construction trades and services, are relatively sensitive to factors such as consumer demand and business failures and are inherently less stable. It may be, too, that even in relatively secure fields, on-call jobs are often set up to be temporary rather than permanent positions.

IN CONCLUSION, the results of the Bureau's first survey on alternative work arrangements illustrate the difficulty of generalizing about people in such arrangements. For example, workers in the largest category, independent contracting, had high levels of education and job security. Contract company employees, while a much smaller group, shared these characteristics. On the other hand, temporary help agency employees and on-call workers had less education, as well as less job security, than other workers. While the nature of employment relationships is bound to be the subject of ongoing analysis, these data make clear that intermediated, irregularly scheduled, or consulting jobs are not necessarily perceived as unstable by the workers who hold them. □

Footnotes

[1] The CPS, the major source of information on employment and unemployment, is a sample survey conducted monthly for the Bureau of Labor Statistics by the Bureau of the Census. The sample consisted of 56,000 households in February 1995. A combination of in-person and telephone interviews is used; the respondent can be any knowledgeable member of the household aged 15 or older. Periodically, supplementary questions are added to the basic CPS questionnaire to elicit information on selected characteristics of workers. In February 1995, the first supplement on contingent and alternative work arrangements was conducted. All employed persons, except unpaid family workers (a very small group numerically), were included in the supplement. For persons holding more than one job, the questions referred to the characteristics of their main job (the one at which they worked the most hours). Because this was a one-time survey, it was not possible to assess the effect of seasonal variation on the estimates of alternative arrangements or to determine whether such arrangements have become more common.

[2] Information from the 1995 survey was released initially as *Contingent and Alternative Work Arrangements,* Report 900 (Bureau of Labor Statistics, August 1995). An additional analysis of these and other data on job security appeared in *Report on the American Workforce* (U.S. Department of Labor, 1995), chapter 1.

[3] See Anne E. Polivka's article on pages 3–9, this issue, which presents three estimates of contingency based in part on actual and expected job tenure. For the theoretical underpinnings of the concept of contingency, see Anne E. Polivka and Thomas Nardone, "On the definition of 'contingent work,' " *Monthly Labor Review,* December 1989, pp. 9–16.

[4] It may be tempting to classify independent contractors who were identified as wage and salary workers in the main questionnaire as workers who otherwise would have been employees of the company for which they were working or individuals who were "converted" to independent contractors to avoid legal requirements. However, the basic CPS questionnaire does not permit this distinction. Two individuals who are in exactly the same work arrangement may answer the question from the main questionnaire—"Were you employed by government, by a private company, a non-profit organization, or were you self-employed?"—differently, depending on their interpretation of the words "employed" and "self-employed." It was not possible with the CPS supplement to collect information on the legal aspects of employment arrangements.

[5] Owners of an incorporated business generally are considered paid employees of the business. In the basic CPS questionnaire, therefore, they are classified as wage and salary workers rather than as self-employed. In the February 1995 supplement, however, all independent contractors were asked

the complete set of questions about the characteristics of their business, regardless of their classification on the basic questionnaire.

[6] See two articles by John E. Bregger in the *Monthly Labor Review*: "Self-Employment in the United States, 1948–62," January 1963, pp. 37-43; and "Measuring self-employment in the United States," January/February 1996, pp. 3–9.

[7] See Wayne Howe, "Temporary help workers: who they are, what jobs they hold," *Monthly Labor Review*, November 1986, pp. 45–47, for an earlier study of workers in the temporary help supply industry based on a special supplement to the CPS in May 1985. The findings are not directly comparable with those from the February 1995 survey, as different questions were asked. Also, see Anne E. Polivka, "Are Temporary Help Agency Workers Substitutes for Direct Hire Temps? Searching for an Alternative Explanation of Growth in the Temporary Help Industry," paper presented at the Society of Labor Economists Conference, Chicago, May 3–4, 1996. Kevin D. Henson, *Just a Temp* (Philadelphia, Temple University Press, 1996); Maureen Martella, *Just a Temp: Expectations and Experiences of Women Clerical Temporary Workers*, report prepared for the U.S. Department of Labor, Women's Bureau, November 1991; and Jackie Krasas Rogers, "Just a Temp: Experience and Structure of Alienation in Temporary Clerical Employment," *Work and Occupations*, May 1995, pp. 137–66, provide views of the industry primarily from the temporary workers' perspectives.

[8] Martha I. Finney and Deborah A. Dasch, *A Heritage of Service: The History of Temporary Help in America* (Alexandria, VA, National Association of Temporary Services, 1991).

[9] Lonnie Golden and Eileen Applebaum, "What was Driving the 1982–88 Boom in Temporary Employment?" *American Journal of Economics and Sociology*, October 1992, find evidence for a demand-driven boom; Karylee Laird and Nicolas Williams, "Employment Growth in the Temporary Help Supply Industry," *Journal of Labor Research*, Fall 1996, pp. 663–81, find both demand factors (especially economic growth and foreign competition) and supply factors (particularly the increasing labor force participation of married women) to be significant.

[10] Steven Pearlstein, "Business and the Temp Temptation: A Permanent Situation," *The Washington Post*, Oct. 20, 1993, pp. C11, C15.

[11] Henson, for instance, interviewed several actors and musicians whose stints with temporary help firms served as "day jobs." (See Henson, *Just a Temp*.)

[12] *Growth in Temporary Help Reflects the New Way Americans Find Jobs*, news release, National Association of Temporary and Staffing Services, Dec. 20, 1995.

[13] Golden and Applebaum, "The 1982–88 Boom in Temporary Employment."

[14] *Factsheet on Black and Hispanic Workers* (Bureau of Labor Statistics, April 1996).

[15] For an analysis of the temporary help supply industry based on data from the CES survey, see Max L. Carey and Kim L. Hazelbaker, "Employment growth in the temporary help industry," *Monthly Labor Review*, April 1986, pp. 37–44.

[16] *Standard Industrial Classification Manual, 1987*.

[17] Richard S. Belous, *The Contingent Economy: The Growth of the Temporary, Part-Time and Subcontracted Workforce* (Washington, National Planning Association, 1989).

[18] Janice D. Murphey, *Business Contracting-out Practices*, Summary 87–8 (Bureau of Labor Statistics, November 1987).

[19] John Tschetter, "Producer services industries: why are they growing so rapidly?" *Monthly Labor Review*, December 1987, pp. 31–40.

[20] Katharine G. Abraham and Susan K. Taylor, "Firms' Use of Outside Contractors: Theory and Evidence," *Journal of Labor Economics*, July 1996, pp. 394–424.